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## China

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**T**HE THREAT and application of economic sanctions have been central elements of Washington's effort to change Chinese domestic and international behavior. The United States has employed two distinct forms of sanctions in two distinct policy areas. To change China's human rights practices, the United States has threatened to terminate China's most-favored-nation (MFN) trading status and effectively end China's access to the U.S. market. To change China's proliferation policies, Washington has threatened and at times applied sanctions restricting Chinese access to advanced technologies. The outcome has been different in each area. The threat to suspend China's MFN status has had little impact on the country's treatment of dissidents. But U.S. policy has influenced Chinese policies in both areas and particularly in the realm of proliferation.

This chapter argues that sanctions are best understood as a form of traditional retaliation—one country threatens to retaliate against another country by adopting policy intended to hurt the interests of the other country if it does not satisfy a demand. As in any attempt to use sanctions to influence behavior, the explanation for the effectiveness of U.S. China policy is the combination of the cost of the sanction on Chinese interests compared to the costs to China of compromise and the credibility of the United States to carry out its threat to harm Chinese interests, a function of the cost to the United States of imposing the sanction and the importance of the interests involved.<sup>1</sup>

U.S. policy has been successful in shaping Chinese proliferation policy because Chinese leaders believed that the United States had the will to affect their interests by employing the "carrot" as well as the "stick"

against Chinese behavior, and the costs to China of compromise were nominal. The threat of ending China's MFN status to change its human rights practices has failed because Chinese leaders understood that Washington lacked the will to endure the costs of imposing sanctions. The exception has been when American partisan politics has combined with deep policy divisions to enhance U.S. credibility. Chinese leaders have understood that American presidents have been willing to sacrifice U.S.-China cooperation to avoid the domestic political costs associated with partisan charges of foreign policy "weakness." In these circumstances, Chinese leaders have compromised. Alternatively, when Chinese leaders believed that there would be a positive outcome from compromise—that is, not merely avoidance of sanctions but actual benefit—they have been willing to release dissidents.

### The Threat of Sanctions and China's Human Rights Policy

In June 1989 human rights became the focus of U.S. attention toward China. Americans in their living rooms watched television coverage of the Beijing democracy movement and the Chinese government's violent response. Horrified Americans demanded that Washington's China policy reflect American values and their repulsion at the brutality of Chinese leaders. From June 1989 through May 1994, when President Clinton "delinked" trade and human rights, the United States threatened that unless China showed greater respect for human rights, it would withdraw that nation's MFN trading status, effectively pricing its goods out of the American market. U.S. focus was primarily on the fate of jailed Chinese dissidents. Human rights organizations tracked the fate of Chinese democracy activists, and their reports informed American understanding of the trend in Chinese politics. These organizations and their supporters demanded that Beijing release dissidents and allow them freedom of speech and movement.

The threat of suspension of China's MFN status formally derives from the Jackson-Vanik amendment to the 1974 Trade Act. The amendment was formally aimed at pressuring Communist countries to allow free immigration, in particular of Jews from the Soviet Union, but after June 1989 it was applied against China's human rights abuses. The amendment, as interpreted by Congress, requires the president to certify annually that the target country has fulfilled U.S. human rights expectations before that country's MFN status can be renewed. Each year between 1989 and 1994 China faced the threat of sanctions should it not satisfy U.S. demands to improve its human rights policies, pri-

marily defined as treatment of dissidents. Thus it is important to note that the U.S.-China case is a study of the effectiveness of the *threat* of sanctions rather than a study of their application. Except for sanctions imposed in the weeks immediately following the Beijing massacre, most of which were lifted subsequently, the United States never has actually reacted to China's human rights violations with economic sanctions.

The source of the sanction threat has varied since 1989. The Bush administration opposed linkage of human rights with China's MFN status. Nonetheless, Congress threatened to apply sanctions by itself. It could overrule the president by voting to suspend MFN with enough votes to override the president's expected veto. In contrast, the Clinton administration adopted the threat of suspending MFN as its own method to pressure China to change its human rights policies. In May 1993 it issued a list of seven demands that China would have to satisfy before the president would renew MFN status.<sup>2</sup>

Advocates of sanctions argued that the United States had sufficient leverage to use MFN to compel Chinese leaders to accommodate U.S. demands. Indeed, economic sanctions seemed to be a powerful instrument. China's economic development plan depended on the acquisition of foreign currency to purchase the high technology China needed to become a global economic power and a modern military power. According to U.S. government statistics, in 1995 the United States was China's largest export market, attracting 32 percent of all Chinese exports. In contrast, in 1995 China's market attracted only 2 percent of total U.S. exports.<sup>3</sup> Moreover, Guangdong and Fujian provinces have been dependent on exports of textiles and other inexpensive consumer goods. Loss of the U.S. market would lead to significant unemployment and potentially significant political and social instability in this important region. A trade war also would enhance Chinese international isolation. It would lead to a deterioration in Sino-Japanese economic and political relations and inhibit many Southeast Asian countries from developing cooperative relations with China. The effect would be an overall deterioration of China's strategic environment and diversion of scarce financial resources from economic modernization to the defense budget.

Thus, from 1989 to 1994, Chinese leaders contended with a concerted U.S. effort to coerce them to change their domestic policies toward political opposition. The following discussion of U.S.-China conflict over human rights during both the Bush and Clinton administrations reveals that China consistently and successfully called America's bluff. During both administrations, despite considerable U.S. bluster and threats,

China paid no economic price for its intransigence—Washington neither affected Chinese policy nor did it follow through on its threat to impose sanctions. Ultimately, President Clinton's May 1994 decision to delink trade from human rights acknowledged policy failure. In subsequent years, despite White House opposition, members of Congress tried to mobilize enough support to link MFN with human rights. But through 1997 they failed to amass enough votes to pass the legislation, so the president did not have to exercise his veto.

### The Bush Administration and Human Rights in China

The dynamics of U.S.-China negotiations changed during the period between 1989 and 1994. There were three distinct periods. In each period, a combination of international and domestic factors created a characteristic negotiating dynamic. The period in which the United States possessed the most internationally derived leverage over China was in the year immediately following the June 4, 1989, Beijing massacre. Universal horror at Chinese repression isolated the People's Republic from the major powers, and the collapse of the Warsaw Pact had ended the dynamics of the strategic triangle, vastly reducing China's immediate importance in U.S. security. Moreover, domestic politics in the United States pressured the White House to adopt retaliatory measures. In this context, the threat to suspend China's MFN status was more credible and the potential ramifications for China's relationships with other political and economic powers were more costly than at any other time since 1989. Nonetheless, the threat to suspend MFN failed to elicit Chinese compliance with U.S. demands.

In the aftermath of the June crackdown, the Bush administration suspended diplomatic exchanges at and above the assistant secretary level; all military exchanges, including ongoing technology and arms transfers; and U.S. support for assistance to China from international financial institutions. In addition, there was the possibility that the United States would suspend MFN the following June if China did not soften its policies. Nonetheless, for the six months following the June massacre, Chinese leaders stonewalled Bush administration efforts to elicit Chinese compromise, including two visits to Beijing by National Security Adviser Brent Scowcroft and Deputy Secretary of State Lawrence Eagleburger, insisting that it was up to the United States to break the U.S.-China deadlock. Only in January 1990 did it concede to open negotiations to restore the Fulbright Program and release minor participants in the June demonstrations. But Fang Lizhi, a leading

Chinese dissident who had sought refuge in the U.S. Embassy to avoid arrest, remained unable to leave China, student leaders of the democracy movement remained in jail, and China continued to jam Voice of America broadcasts. Only after President Bush announced his intention to renew MFN did Beijing allow Fang Lizhi to leave the country.

During the next year, China remained intransigent. It commenced the trials of the June 1989 democracy activists and handed down long prison terms for other democracy activists. It also refused to negotiate with the United States on exports of goods made by prison labor and on other bilateral issues. Nonetheless, the White House adopted unilateral compromise, and, in May 1991, it once again announced that it would support unconditional extension of MFN for China.

At the height of U.S. leverage in the post-Cold War era, the threat that costly economic sanctions might be imposed by a partisan and deeply committed U.S. Congress failed to coerce China to change its human rights policies. The reason the U.S. threat failed is that China's moderate leaders lacked the authority to impose controversial policies on domestic adversaries. In the aftermath of the Beijing massacre, Deng Xiaoping and his moderate colleagues yielded significant authority to conservative politicians. The threat of sanctions failed because no one in Chinese politics had the ability to compromise. As Secretary of State James Baker said in response to the question "Who's in charge?" the "situation is too clouded now . . . to answer," observing that "there is a power struggle going on in China."<sup>4</sup> Indeed, Chinese concessions might have made relations worse, insofar as they might have further undermined Deng's authority and contributed to more adversarial policies. Chinese policymakers released Fang Lizhi only after the White House agreed to extend MFN because they had to avoid charges of appeasement. Despite the combination of leverage and the threat of costly sanctions, Washington accommodated Chinese intransigence. The alternative was less attractive—impose sanctions and elicit PRC retaliation without gaining any change in China's domestic situation, because hard-liners would maintain repressive policies.

The second period of U.S. threats to retaliate against Chinese human rights abuses occurred from late 1991 to the end of the Bush administration. During this period, although China had reduced much of its post-June 4 international isolation and its economy had begun to grow at impressive rates, so that U.S. leverage had diminished, the threat of economic sanctions did lead to PRC conciliation. Once again domestic factors in both countries were decisive in determining credibility and leverage.

In 1991 President Bush experienced an unprecedented decline in popularity. At the start of the year he enjoyed greater popularity than any other post-World War II president. By the end of the year he was held responsible for the decline in the economy, and his reelection prospects had dimmed. This trend accelerated in 1992, so that his ability to enforce his China policy on a reluctant Congress had declined. In contrast, beginning in the second half of 1991, Deng Xiaoping gradually restored his political authority, reestablishing the moderate policy agenda and restoring his allies to policymaking roles. This trend culminated in Deng's January 1992 tour of China's southern provinces and his resurgence over his conservative adversaries. No longer was he incapable of making and enforcing compromises with the United States.

These shifting domestic fortunes yielded the United States leverage in U.S.-China relations. Because the White House could no longer guarantee MFN, the credibility of the U.S. threats had increased. Chinese leaders were compelled to compromise to mollify congressional critics and to reduce the risk of losing access to the U.S. market. U.S. partisan politics combined with policy divisions to compel Beijing to incur the cost of cooperation. Thus in late 1991 and early 1992, as the date for renewal of MFN approached, China adopted a relatively moderate posture. In January China released nine dissidents it had detained prior to trial. In April it released information regarding its most famous and longest imprisoned dissident, Wei Jingsheng. In addition, in February it pronounced relatively light sentences on 11 dissidents and did the same in August for political associates of former Premier Zhao Ziyang, who had been ousted for his conciliatory policies toward the demonstrators.<sup>5</sup> In June it reached agreement with the United States on exports of goods made by prison labor.

### The Clinton Administration and Human Rights in China

The third and final period of U.S. efforts to use the threat of MFN suspension to obtain human rights concessions occurred during the first year and a half of Bill Clinton's presidency. This period is different from earlier periods in two ways. First, the president, rather than Congress, threatened sanctions. Second, during the Clinton administration, domestic politics in both China and the United States were not significant factors. In China Deng's leadership remained stable, and in the United States a new Democratic president enjoyed a Democratic-controlled Congress, minimizing the impact of partisan politics on

policy. Thus the outcome of U.S. efforts reflected the ineffectiveness of threatening economic sanctions when Congress was not led by an opposition party with a politically inspired foreign policy agenda. The results indicate that without the leverage derived from domestic opposition, the threat of economic sanctions against Chinese human rights abuses does not work.

When the Clinton administration took office in January 1993, it struggled with the legacy of the June 4 crackdown and the presidential campaign on U.S. policy toward China. Rather than allow congressional politics to determine policy, in 1993 Bill Clinton issued an executive order linking continuation of China's MFN status with its human rights practices. But rather than free the White House from the politics of MFN, the order further politicized the issue, for the president had made a personal commitment to revoke China's MFN status should Beijing not conciliate U.S. demands. Yet even a presidential commitment and the political costs for the president of retreat could not make credible the threat to disrupt U.S.-China trade.

The administration made a strong effort to persuade China of its resolve. The president, Secretary of State Warren Christopher, and other senior officials pressured China to make reforms. In October 1993 Christopher warned Foreign Minister Qian Qichen that without quick progress on human rights, China would lose its MFN status. The president held a "frank" and "candid" discussion with Chinese President Jiang Zemin. After Beijing released a handful of dissidents, Christopher insisted that it had not done enough. In February 1994 Assistant Secretary of State for Human Rights John Shattuck held an unannounced meeting with Wei Jingsheng during a visit to Beijing. The next month Christopher visited China with the declared intention of withdrawing MFN unless China compromised. In May President Clinton told Chinese Vice Premier Zou Jihua that China had to make more concessions by June 3, the deadline for renewing China's MFN status, if it expected to maintain normal trade relations.<sup>6</sup>

Washington underscored its resolve with tough policies. The administration's annual human rights report underscored that China had yet to make significant political reforms. In 1993 Congress voted its disapproval of Beijing as the site for the Olympic Games in 2000 and voted funding for Radio Free Asia. The administration also coerced Chinese leaders into allowing a fruitless search of the shipping vessel *Yinhe*, which it suspected of carrying chemical weapons to Iran.<sup>7</sup> America seemed in no mood to tolerate Chinese intransigence.

President Clinton had done all he could to persuade Chinese leaders that the United States would revoke MFN if they did not meet U.S.

demands. The president had linked his personal credibility to this policy, suggesting that domestic political costs made compromise impossible. But Chinese leaders remained intransigent, adopting policies more hostile than those of 1992 and 1993. In meetings with administration officials, they expressed no willingness to meet U.S. conditions. Prior to Secretary Christopher's visit to Beijing, Chinese leaders rearrested or detained at least 13 dissidents, including Wei Jingsheng and Wang Dan. In their meetings with Christopher, they refused to discuss human rights. Premier Li Peng insisted that China would endure U.S. sanctions rather than succumb to pressure. In May, as the June 3 deadline approached, police arrested four Shanghai democracy activists.<sup>8</sup>

Washington's strenuous effort had failed to elicit concessions. Because the White House lacked leverage from domestic cleavages, Chinese leaders assessed American credibility solely by focusing on the costs and benefits of imposing sanctions for U.S. interests; they concluded that American interest in Chinese dissidents was far less than its interest in access to the Chinese market and stable U.S.-China political relations. They were correct. President Clinton, despite his commitment to retaliate against Chinese intransigence, flinched from the political costs and the national economic and security costs of disrupting U.S.-China trade. Thus Chinese leaders called the administration's bluff.

Denying MFN to China would have elicited PRC retaliation against American exports. Although American reliance on China's market is insignificant compared to Chinese reliance on the U.S. market, key sectors of U.S. industry and the labor force would have been affected. The economies of Washington and Kansas, for example, would have paid a substantial price were Beijing to cancel orders from Boeing and purchase European Airbuses instead. In 1994 China purchased 13 percent of Boeing's aircraft sales.<sup>9</sup> Many states would have been hurt were Beijing to decide to buy wheat from other countries. U.S. telecommunications, energy, and automobile corporations are in competition with their foreign counterparts for a share of China's infrastructure and transportation sectors. Chinese leaders understood the importance of the Chinese market to the U.S. economy and threatened to retaliate against U.S. sanctions.<sup>10</sup>

Economic and political interests pressured the Clinton administration to accommodate Chinese intransigence. Executives from AT&T, General Electric, and Dow Jones sharply criticized the administration's human rights policy during Secretary of State Christopher's March 1994 visit to Beijing. Executives of 450 California companies signed a petition urging the White House to delink trade relations. Nearly 800 companies wrote to the president to urge him to separate trade from human rights.

Secretary of the Treasury Lloyd Bentsen and director of the National Economic Council Robert Rubin distanced themselves from the State Department's position, also advocating delinkage. Under Secretary of Commerce Jeffrey Garten argued that the "economic stakes with China are enormous" and that the United States needed "to inject commercial considerations more into the policy." In Congress, Democratic Representative Lee Hamilton, chairman of the House Foreign Affairs Committee, called for a "broader understanding of the national interest." Leading Democratic and Republican senators, including Max Baucus (D-Mont.), Bill Bradley (D-N.J.), and John Danforth (R-Mo.), advised Secretary Christopher to eschew sanctions, no matter how intransigent China might be. In the House of Representatives, 106 members, including Speaker Tom Foley (D-Wash.), Minority Leader Robert Michel (R-Ill.), and Minority Whip Newt Gingrich (R-Ga.), advised President Clinton to approve unconditional renewal of China's MFN status.<sup>11</sup>

Security considerations were also influential. Representative Hamilton warned that "single-minded emphasis" on human rights had interfered with U.S. pursuit of security interests. Former Secretaries of State Henry Kissinger, Cyrus Vance, and Lawrence Eagleburger criticized the threat of sanctions as a failure and advised the administration to place greater emphasis on such issues as arms control and regional security. Even Assistant Secretary of State Winston Lord, who had played a major role in developing the Clinton administration's sanctions policy, acknowledged that U.S. preoccupation with human rights had undermined other American interests in U.S.-China relations and in regional affairs.<sup>12</sup>

In the weeks prior to the president's decision, administration officials met many times to consider their options. The president spoke with former presidents and senior foreign policy advisers and met with members of Congress. On May 18, eight days prior to his announcement of delinkage, Clinton met with his senior political and foreign policy advisors to elicit their advice. It was widely acknowledged that China had made only minimal concessions. Nonetheless, the president decided to retreat from the brink. On May 26 he announced delinkage of China's MFN status with its human rights policies.<sup>13</sup>

U.S. threats failed to change Chinese behavior because U.S. interest in Chinese dissidents was less important than U.S. economic and security interests in U.S.-China relations. Indeed, China closely observed the pressures on the White House from both the business sector and political leaders. It called the administration's bluff because it understood the American calculus; China's leaders correctly assessed the relative importance of human rights in U.S. policy and the repercussions of dis-

rupted U.S.-China trade for the president's political situation. As one report characterized the administration's dilemma, the president was "working furiously" to get himself out of the "self-inflicted trap" of linking MFN to human rights.<sup>14</sup>

It is important to stress that the failure of the threat of economic sanctions was not due to the overwhelming importance of stability and power to Chinese leaders or to any Chinese unwillingness to compromise in order to protect access to the U.S. market. Chinese leaders had made concessions in the past, including releasing dissidents and other humanitarian actions, to improve U.S.-China relations. As noted earlier, they did so in 1992 when it appeared that U.S. domestic politics might lead Congress to apply economic sanctions. They also did so in early 1993, apparently trying to influence the new administration to forgo linkage and adopt a long-term cooperative China policy, releasing Wang Dan and two other dissidents.<sup>15</sup>

Especially significant, China made important human rights concessions for a brief period in early 1994, when it appeared that the Clinton administration would adopt a more conciliatory policy. In September 1993 the White House launched its policy of "engagement." For the next four months, in the aftermath of heightened tension surrounding the *Yinhe* incident and China's unsuccessful effort to secure the Olympic Games, Washington expanded high-level exchanges with China. In addition to agreeing to visits to China by Lloyd Bentsen, Secretary of Agriculture Michael Espy, and Chairman of the Federal Reserve Board Alan Greenspan and to a meeting between Presidents Clinton and Jiang Zemin at the November meeting in Vancouver of the forum on Asia-Pacific Economic Cooperation (APEC), it also conducted the first dialogue with the Chinese military since 1989. In January National Security Adviser Tony Lake met with Chinese Vice Foreign Minister Liu Huaqiu, the first step toward renewing the U.S.-China strategic dialogue. The two sides also reached an important textile agreement, removing a source of considerable tension from the relationship.<sup>16</sup>

It seemed that the White House might reconsider linking MFN with human rights.<sup>17</sup> China reciprocated with concessions. From January to early March 1994, Chinese leaders assured a congressional delegation that it would improve its human rights record, released two Tibetan political prisoners and a number of prominent democracy activists, including Wang Xizhe, released information on imprisoned activists, and granted Western reporters access to Chinese prisons. China also opened negotiations with the International Red Cross regarding prison visits and with U.S. officials regarding exports of goods made by prison

labor.<sup>18</sup> But when the White House intensified its pressure with Shat-tuck's meeting with Wei Jingsheng and with threats to suspend MFN prior to Christopher's visit to Beijing, China reversed course. It renewed its harsh domestic policies, arresting numerous dissidents over the next three months. Only in the weeks before the deadline, in a transparent effort to make it easier for the president to accept failure, did China release some dissidents.<sup>19</sup>

Perhaps China would have been more responsive if Washington had the support of other advanced industrial countries. Multilateral sanctions would inflict greater costs on China, insofar as Beijing would not be able to find substitutes for U.S. high-technology products and would lose additional foreign markets. Yet the prospect of multilateral sanctions against China's human rights abuses is an illusion. Other advanced Western countries do not agree that linkage is appropriate policy. They also enjoy the advantages of U.S.-China conflict. Washington would have to coerce western European countries and Japan to follow its lead, imposing strains on bilateral relations with these countries and undermining cooperation in other areas. The cost of friction between the United States and its most important economic and strategic partners is not worth the benefit of improved Chinese human rights policies. Indeed, Washington has not tried to use its leverage to develop a multilateral approach. It has relied on cost-free ineffective moral arguments.

But this experience also reveals that Chinese leaders can be cooperative. In the aftermath of the 1997 Washington summit, Beijing allowed Wei Jingsheng, the most famous dissident, to leave China. That decision by Chinese leaders reflected their willingness to release dissidents when it would contribute to enhanced U.S.-China cooperation. In this case, the release reduced the cost to President Clinton of holding the Washington summit and facilitated U.S. cooperation toward holding the expected 1998 Beijing summit. On the other hand, had Chinese leaders released Wei prior to the summit, they might have encouraged ongoing U.S. coercive diplomacy.

The obstacle to Chinese cooperation is not the inherent cost to China of compromise. China has released dissidents when the quid pro quo was improved U.S.-China relations. Yet by measuring improved human rights by counting dissidents released from jail, U.S. policy has produced two perverse affects. First, it has reduced jailed dissidents to bargaining chips, demeaning the dissidents and the United States. Chinese dissidents deserve constant support, and American values should not be manipulated by Chinese leaders. Second, by transforming dissidents into bargaining chips, the United States can prolong their time in jail. When Beijing believes that release of dissidents can improve relations,

it is prepared to do so. But if it appears that the United States will not reciprocate, dissidents remain in jail until their value increases. In spring 1994, when it became clear that the United States had not abandoned linkage, China returned to repressive policies. Prior to Vice President Al Gore's 1997 visit to China, Beijing seemed prepared to release Wang Dan. But when "donor-gate" locked the administration into a noncompromising posture, Wang remained in jail.

### The Threat of Sanctions and Chinese Proliferation Activities

The United States has also threatened economic sanctions to try to influence China's proliferation policies. In this case, U.S. leverage has not been significantly influenced by domestic political circumstances. Thus U.S. policy toward China's proliferation practices has been more consistent than its policy toward PRC human rights violations. The anti-proliferation policies of the Bush and Clinton administrations are nearly identical. They also have been more effective than policy toward Chinese human rights abuses. This effectiveness reflects the relative interests involved and the associated U.S. credibility to inflict costly sanctions on China.

American credibility to sanction Chinese missile proliferation has not derived from the severity of the sanctions it has imposed or threatened to impose. The United States has imposed only limited sanctions on missile proliferation, so that the impact on the Chinese economy has been negligible. Nonetheless, the sanctions remind Chinese leaders that Washington keeps a watchful eye on their behavior, that it takes proliferation seriously, and that it is prepared to adopt the most severe, albeit informal and implicit, sanction should Chinese proliferation harm vital U.S. interests—deterioration of the overall relationship and heightened adversarial relations.

U.S.-China friction over Chinese arms exports emerged in 1987 when Iran fired Chinese Silkworm missiles on U.S. warships in the Persian Gulf. The Reagan administration responded by freezing ongoing liberalization of regulations limiting technology exports to China. In March 1988, after China assured the United States that it would end Silkworm shipments to Iran and supplied Washington with the technical information necessary to defeat the missiles, the administration lifted the sanction.<sup>20</sup> But within weeks of lifting the sanction, the White House learned that China had sold Saudi Arabia CSS-2 intermediate-range ballistic missiles. Quickly, China assured the United States that the missiles would not carry nuclear warheads. Satisfied that China now



understood the importance of controlling arms sales to the Middle East, in September 1988 Secretary of Defense Frank Carlucci visited Beijing and announced that the United States would license export of satellites to China for launching and that it would consider selling China helicopters, radar systems, and other military equipment. In February 1989 the Bush administration announced liberalization of restrictions on technology exports.<sup>21</sup>

These discussions of proliferation and U.S. retaliation against the Silkworm sale to Iran educated Beijing on the importance the United States attached to Middle East stability. Since 1988 China has not exported a single weapon to any Middle Eastern nation that violates any international agreement or that significantly enhances the capabilities of any country against the United States or its regional allies. Yet Chinese consideration of American interests in the Middle East has required persistent U.S. reminders of the consequences of ignoring U.S. warnings. Still, sanctions have failed to constrain China's security relationship with Pakistan.

In early 1991 Washington learned that China had shipped to Pakistan launch vehicles for the M-11 missile and that it was preparing to sell Syria M-9 missiles. Both missiles have sufficient range to destabilize regional balances. The Bush administration responded by denying export to China of satellite components and then imposing sanctions on exports of high-speed computers, U.S. participation in Chinese satellite launches, and sales of missile technologies to the Chinese corporation suspected of transferring the missile launchers. In June Secretary of State James Baker warned that there would be "profound consequences" if China sold the missiles to either Syria or Pakistan.<sup>22</sup> Nonetheless, after Under Secretary of State Reginald Bartholomew's visit to Beijing in August, China remained noncommittal.

The issue came to a head in November 1991 when Baker visited Beijing. China had made it clear that it wanted him to visit—it would be an important step toward regaining international legitimacy for China in the aftermath of its June 4, 1989, crackdown on the city's democracy movement. But it could be a costly visit for the Bush administration, for the president continued to face criticism for "coddling" Chinese leaders. It was clear that Baker wanted a quid pro quo and that his priority was missile proliferation. He wanted a PRC commitment to abide by the Missile Technology Control Regime (MTCR), which, according to U.S. interpretations, prohibited export of both the M-9 and the M-11 missile. After prolonged negotiations requiring Baker to spend an additional six hours in Beijing, Foreign Minister Qian agreed that China would abide by MTCR "guidelines and para-

meters" and that it would not sell M-11 missiles to Pakistan. But the next day the foreign ministry spokesman said that China would "consider" adhering to MTCR. On this contentious issue, debate still raged, and Beijing could not cancel its missile sales agreements.<sup>23</sup> U.S. sanctions remained in place.

Subsequent public Chinese statements appeared to reaffirm Beijing's original assurances to abide by MTCR, but Baker pressed for a written commitment. When Qian finally wrote to him on February 1, 1992, committing China to abide by MTCR guidelines and parameters, Washington lifted its sanctions. After learning that China had canceled its agreements with Pakistan and Syria, the administration expressed satisfaction with Chinese cooperation.<sup>24</sup> The threat of sanctions and the potential reward from compromise combined to affect PRC behavior. Aware that following through on the transfers would harm overall U.S.-China relations and enhance congressional opposition to China's MFN status, Beijing compromised.

China's cancellation of its agreements with Syria and Pakistan was a politically controversial decision. It required the reestablishment of moderate authority following Deng Xiaoping's tour of the southern provinces. Most important, for even moderate Chinese leaders, the agreement was made in the expectation that it would stabilize U.S. cooperation, thus meeting an important Chinese national interest. But when U.S. arms sales infringed on an important Chinese interest, the deal fell apart. On September 2, 1992, the Bush administration announced that it had agreed to sell 150 F-16s to Taiwan. Not only did this violate the August 17, 1982, U.S.-China joint communiqué regulating the quality and quantity of U.S. arms sales to Taiwan, it also substantially reduced the benefit to Beijing of reducing its own arms transfers, for the F-16 transfer would improve Taiwan's political and military capability to withstand PRC pressure to acknowledge PRC sovereignty over Taiwan.<sup>25</sup> China retaliated by transferring the M-11 missiles to Pakistan. It also withdrew from the talks among the five permanent members of the United Nations Security Council on arms exports to the Middle East.<sup>26</sup>

Thus, there began another round of U.S. sanctions and negotiations. In August 1993, after negotiations in which Chinese leaders insisted that there had been no violation, the Clinton administration announced that licenses would not be given to export to China advanced electronic equipment, technology and equipment for space systems, and technology for military aircraft.<sup>27</sup> Negotiations continued through October 1994. China never acknowledged that it had violated the U.S.-China agreement on missile exports, and the United States never acknowl-

edged that it had violated the August 1982 communiqué. Finally, in October 1994, Beijing and Washington reached a new agreement clarifying the 1992 agreement on Chinese missile exports. Washington lifted the sanctions it imposed in August 1993 and Beijing agreed not to export missiles "featuring the primary parameters of the Missile Technology Control Regime—that is, inherently capable of reaching a range of at least 300 km with a payload of at least 500 kg."<sup>28</sup>

The October 1994 agreement added important specificity to China's February 1992 nonproliferation commitment. The "inherent capability" clause prevents China from arguing that because the M-11 missile has not been tested with payload weights and at ranges specified by MTCR, it is not governed by MTCR. On the other hand, China did not clarify its 1992 commitment to apply "inherent capability" on technology exports. Moreover, the communiqué only clarified China's 1992 commitment, which referred to the missile export restrictions contained in the original 1987 MTCR agreement. It did not commit China to abide by the expanded restrictions agreed upon by MTCR signatories in January 1993. These revised guidelines cover all delivery vehicles for all types of "weapons of mass destruction" including chemical and biological weapons as well as nuclear weapons.<sup>29</sup>

Since October 1994 the United States has tried to resolve the ambiguities in the U.S.-China agreements and to achieve full Chinese compliance with MTCR, but Beijing has refused to negotiate. Washington also has probed Chinese interest in formal membership in MTCR.<sup>30</sup> But the stumbling block has been U.S.-Taiwan relations. Each time Washington raises missile exports, China raises conventional arms exports, including U.S. exports of F-16s. By withholding full commitment to MTCR, China threatens to make additional transfers should the United States not limit arms sales to Taiwan. Indeed, the M-11 missiles it transferred to Pakistan in December 1992 have not been deployed—they remain in their shipping crates.<sup>31</sup>

Most important, formal Chinese participation in the MTCR would not change China's posture toward full adherence to the regime. Past threats of sanctions have not prevented China from assisting Pakistan's deterrent capabilities. China assigns high strategic value to Pakistan's security, and the cost of compromise would be great. China's reluctance to clarify its commitment to MTCR guidelines regarding technology exports apparently reflected its plans to transfer M-11 manufacturing capabilities to Pakistan.<sup>32</sup> To realize full Chinese compliance with MTCR, the United States would have to make significant concessions regarding its Taiwan policy, the only conceivable compensation to Beijing for the cost of reduced Pakistani security. But for the United

States, full Chinese compliance with MTCR is not worth the sacrifice of important elements of its Taiwan policy. Without this *quid pro quo*, Chinese leaders will continue to argue that MTCR serves only U.S. interests and that China should not contribute to U.S. interests without receiving corresponding U.S. concessions.<sup>33</sup>

Outside of South Asia, however, Beijing continues to exercise restraint. It has not exported MTCR-regulated missiles to the Middle East or elsewhere. It did not retaliate against the F-16 sale to Taiwan by renewing its agreement to provide Syria with M-9 missiles. That agreement has remained dead since March 1992. The only missile export to the Middle East since 1988 is transfers to Iran of C-802 and C-801K cruise missiles. These are early-generation cruise missiles with a range of slightly more than 20 miles. Then Secretary of Defense William Perry compared them to German World War II V-2 rockets and said that they have little military significance. Nonetheless, during the 1997 Washington summit and during Secretary of Defense William Cohen's January 1998 visit to Beijing, Chinese leaders expressed interest in curtailing the export of cruise missiles to Iran.<sup>34</sup>

Beijing understands that transfer of advanced weaponry to the Middle East would lead inevitably to U.S. sanctions and that these sanctions would be far graver than those imposed against Chinese transfers to Pakistan—political repercussions would affect the overall relationship. In addition, the cost of compromise is minimal, insofar as China has few strategic interests in the Middle East.<sup>35</sup>

The one major exception to this pattern is the sale by Chinese companies of chemical weapons precursors to Iran. Although the exports did not violate the Chemical Weapons Convention (CWC), as they were not on the list of proscribed chemicals, they nonetheless can contribute to Iran's chemical weapons program. In May 1997, after trying to persuade Beijing to end the exports, the Clinton administration imposed trade sanctions on the companies. It also has held discussions with Chinese leaders on chemical weapons proliferation, trying to encourage Beijing to develop more effective control over its chemical industries and their exports.<sup>36</sup> Although Beijing has not satisfied American demands regarding chemical exports to Iran, by late 1997 the administration was pleased with Beijing's progress in developing an export-control regime for chemical weapons precursors. Whether the combination of sanctions and negotiations will encourage PRC policy change remains to be seen.

The United States has imposed only limited sanctions against Chinese missile transfers to Pakistan. Apparently this is in recognition of limited U.S. ability to shape PRC policy in a region where China has



vital security interests and where its Pakistani ally is involved in an incipient arms race with India. Also, U.S. post-Cold War interests are nominal there.<sup>37</sup> But repeated U.S. sanctions, no matter how ineffective, do remind China of America's constant vigil against destabilizing missile transfers to more sensitive regions, whether there exist pertinent international agreements or not. Given U.S. interests in the Middle East, China is confident that a destabilizing arms transfer there would seriously set back its effort to promote U.S.-China cooperation, would enhance congressional opposition to MFN for China, and would enhance U.S. political and strategic opposition to Chinese influence in Asia. Thus it has refrained from transferring to the Middle East not just MTCR-regulated missiles but all missiles that would significantly alter current force-on-force relationships.

### The Threat of Sanctions and Chinese Nuclear Proliferation

The United States has tried to deter China from exporting nuclear technologies to selected states. As in the case of missile proliferation, the United States has been less concerned with Chinese compliance with international regimes than that its exports do not assist U.S. adversaries. The same is true for China. Chinese behavior has been shaped more by its assessment of the costs of U.S. retaliation and the costs of Chinese compromise for PRC interests than by whether U.S. demands conform to international principles.

Three countries have been the beneficiary of significant Chinese nuclear technology exports—Algeria, Iran, and Pakistan. The Chinese agreement with Algeria was concluded in 1988 or earlier, when the United States was not paying close attention to China's potential as an arms exporter. When the United States discovered the scale of the project in late 1990, it was too late to abort the agreement.<sup>38</sup> Although the nuclear reactor has been under constant supervision of the International Atomic Energy Agency (IAEA), the United States has been critical of Chinese practice.

The conflict over Algeria warned China of U.S. sensitivity to the transfer of nuclear technology to so-called rogue states. Nevertheless, Beijing concluded a nuclear energy deal with Iran. The timing of the announcement of the Iran agreement reveals that China used nuclear proliferation there as well as missile transfers to Pakistan to retaliate against U.S. arms sales to Taiwan. Beijing announced the agreement in early September 1992, on the heels of the Bush administration's

decision to sell F-16s to Taiwan.<sup>39</sup> Similar to China's arrangement with Algeria, China and Iran agreed to place the Iranian reactor under IAEA supervision. Although the United States did not impose sanctions, the Sino-Iranian agreement was a constant source of friction. But, in November 1995, in the aftermath of Taiwan President Lee Teng-hui's May visit to Cornell University and subsequent U.S.-China efforts to improve relations, including China's release of Harry Wu and Hillary Clinton's August visit for the international women's conference, Foreign Minister Qian informed Secretary of State Christopher that Beijing had "suspended" its agreement to sell Iran two nuclear reactors. Then, in the weeks preceding the October 1997 Washington summit, China agreed to cancel the 1992 agreement and not to transfer any nuclear technologies to Iran.<sup>40</sup> Thus far there have been no new Chinese agreements to provide nuclear reactors to U.S. adversaries.

The final case of proliferation concerns Chinese transfer in late 1995 to Pakistan of \$70,000 worth of ring magnets that can be used to produce enriched uranium, a key ingredient in nuclear weapons. Compounding the issue is the fact that the magnets apparently were destined for a Pakistani nuclear reactor that is not under IAEA supervision. In early 1996 Washington suspended consideration of U.S. Export-Import Bank loans for projects in China and threatened to impose restrictions of technology exports to Chinese military-owned enterprises suspected of cooperating with Pakistan.<sup>41</sup> Faced with the threat of sanctions, China compromised. Although Chinese leaders convinced the United States that they were unaware of the transfer, in a meeting with Secretary of State Christopher in April in The Hague, Foreign Minister Qian assured the United States that China would not assist nuclear facilities that were not under IAEA safeguards, precluding future Chinese assistance to the unsupervised Pakistani reactor. Beijing also agreed to cooperate with the United States in establishing more effective Chinese export controls. U.S. efforts culminated in 1997, when Beijing completed establishment of domestic regulations restricting the export of nuclear technologies and joined the Zangger Group, i.e., countries who have agreed not to export selected proliferation-relevant technologies.<sup>42</sup>

American experience in using sanctions to shape Chinese nuclear proliferation policy is similar to that concerning human rights and missile proliferation. When U.S. credibility is high, which is a function of the gravity of U.S. interests and its cost of imposing sanctions, and the cost to China of compromise is low, China has been willing to compromise. Regarding the transfer of ring magnets to Pakistan, China wanted to improve relations with Washington after the 1996 Taiwan Straits confrontation. Because U.S. domestic legislation (the "Glenn-

Symington amendment") required a sanction and the cost to the United States of imposing it would have been nominal, Beijing understood that without a concession, sanctions would have been imposed. Although the cost to Beijing of the sanctions might have been limited, the setback to U.S.-China cooperation would have been costly in an era when Beijing was trying to improve relations. Moreover, the cost of compromise was minimal. If China actually had not intended to transfer the magnets, it had little reason to object to refrain from exporting them.

This experience suggests that it would be a mistake to premise non-proliferation policy on the assumption that a "rogue" Chinese military controls PRC weapons exports. With minor exceptions, since the end of the Cold War Beijing has managed its missile exports policy in support of broader national objectives, including U.S.-China cooperation and its regional security interests. Remaining PRC intransigence is not due to U.S. failure to invite China to participate in the formation of the post-Cold War international order. There are many important reasons to encourage Chinese leadership in international institutions, including MTCR, but greater accommodation of U.S. interests is not one of them. Just as America's China policy has not been guided by whether China has complied with international norms but by its assessment of the impact of PRC policies on U.S. security, when international regimes call for behavior contrary to important national interests, China will not necessarily change its behavior. Rather, Chinese proliferation policies will reflect Beijing's assessment of the importance of the policy to Chinese interests, the costs of pursuing that policy, including the likelihood that the United States will impose sanctions on China, and the cost of compromise.

### Conclusion: Crafting a Sanctions Policy for China

American experience in dealing with China's human rights and proliferation policies suggests a number of policy recommendations. First, limited sanctions are preferable to comprehensive sanctions, which impose excessive costs on U.S. interests and thus lack credibility and invite PRC intransigence. In addition, China's proliferation policies have been responsive to limited sanctions. The threat of limited sanctions is credible and the cost to China can be greater than the costs of compromise, especially when viewed in the context of the overall relationship. Moreover, even limited sanctions can serve to maintain U.S.

credibility by signaling its willingness to adopt more comprehensive sanctions against more destabilizing proliferation.

Second, the threat of sanctions has been most effective when the promise of the carrot is employed simultaneously. In the absence of politically significant policy differences in the United States, China has not compromised to avoid sanctions unless there also has been the expectation that the United States will cease using sanctions and that there will be an overall improvement in the relationship. One of the reasons why President Clinton's sanctions policy failed is that the administration did not make clear that it would end the policy should China compromise. On the contrary, Chinese leaders reasonably could presume that if the president's policy was successful, he would benefit from appearing as the strong president who made China's leaders cower and that he would have no incentive to change policy. Similarly, when it appeared that the repercussions from "donor-gate" would prevent U.S. reciprocity, Beijing did not release Wang Dan prior to Vice President Gore's visit to China.

On the other hand, when Chinese leaders believed that the United States was both wielding the stick of sanctions and proffering the carrot of improved relations, they compromised. This explains PRC cooperation in 1992 regarding missile exports to Syria and Pakistan, in the 1996 negotiations over Chinese assistance to nonsupervised nuclear reactors following the ring magnets transfer to Pakistan, and in the 1995-97 negotiations over Chinese nuclear energy cooperation with Iran. This was the case concerning human rights diplomacy at the start of the Clinton administration in early 1994 and in 1997 following the Washington summit.

Third, the threat of costly sanctions can be effective when the domestic policy debate suggests that the president's flexibility is undermined by the partisan agenda of a Congress controlled by the opposition party. This is the case even when the threatened sanctions would affect important U.S. interests, such as denial of MFN. The presidential campaign in the final year of the Bush administration was responsible for considerable PRC flexibility in a wide range of areas.

The implications of partisan politics also apply to Chinese policy-making and PRC negotiating flexibility. Washington will not be able to use sanctions to extract concessions when China is experiencing heightened domestic political infighting because Chinese leaders will have neither the authority nor the will to make and enforce compromises with the United States. In these circumstances, the result is heightened U.S.-China tension and, thus, reduced overall cooperation, without any compensating benefit to the United States, such as progress in human

rights. In these circumstances, it is best to wait until PRC politics stabilize before threatening to impose sanctions to promote PRC cooperation.

Fourth, it is difficult for the president to manufacture domestic political costs in order to enhance the credibility of an otherwise costly sanctions threat. By attaching his personal prestige to the outcome of U.S.-China conflict and by manufacturing the personal political costs to backing down before PRC intransigence, President Clinton boosted the American resolve to deny China MFN. But because he also would have incurred the political costs from Chinese retaliation against U.S. economic and security interests, the threat lacked credibility and did not alter PRC behavior. Only when the threat of sanctions comes from the autonomous behavior of the political opposition can it affect the policy calculations of the target state.

China can resist the threat of sanctions because it can impose high costs on important U.S. interests. America's stake in stable U.S.-China relations involves not only economic growth but also the security of allies and the peace of Asia. The result is that the United States cannot challenge Chinese interests except for the most important reasons. Most countries do not have China's power and retaliatory capability. This makes the U.S.-China case unique. But great powers always have treated each other differently. U.S. policy toward China, whether from design or from Chinese threats of retaliation, reflects the "realpolitik" implications of great power relations.

### Notes

1. For a similar argument concerning the efficacy of sanctions per se using formal quantitative methodologies, see T. Clifton Morgan and Valerie L. Schwabach, "Fools Suffer Gladly: The Use of Economic Sanctions in International Crises," *International Studies Quarterly* 41, no. 1 (March 1997).
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3. Wayne M. Morrison and John P. Hardt, "Major Issues in U.S.-China Economic Relations," in *Joint Economic Committee, Congress of the United States*, ed. (Armonk, NY: M.E. Sharpe, 1997), pp. 473, 477-78.
4. *Congressional Quarterly Weekly*, June 10, 1989, pp. 1428-30; *Weekly Compilation of Presidential Documents*, June 8, 1989, p. 867; *State Department Bulletin*, August 1989, p. 58.

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6. *New York Times*, October 1, 1993; *New York Times*, October 21, 1993; *New York Times*, November 20, 1993; *Far Eastern Economic Review*, December 2, 1993; *New York Times*, January 24, 1994; *New York Times*, February 28, 1994; *New York Times*, March 12, 1994; *Far Eastern Economic Review*, March 24, 1994, pp. 18-20; *New York Times*, May 3, 1994.
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9. *Dow Jones Newswires*, June 25, 1996.
10. See, for example, *Zhongguo Tongxun She*, March 20, 1994, in FBIS, April 1, 1994, pp. 4-5; *Xinhua*, May 4, 1994, in FBIS, May 5, 1994, pp. 8-9; also see the coverage of Foreign Minister Qian Qichen's statement in the *New York Times*, March 21, 1994.
11. *New York Times*, March 14, 1994; *Far Eastern Economic Review*, May 12, 1994, p. 16; *New York Times*, March 19, 1994; *New York Times*, March 20, 1994; *New York Times*, March 27, 1994; *New York Times*, January 30, 1994; *New York Times*, May 11, 1994; *New York Times*, May 20, 1994; *New York Times*, May 25, 1994.
12. *New York Times*, March 18, 1994; *New York Times*, May 11, 1994; *New York Times*, March 18, 1994; *Washington Post*, March 28, 1994; *Washington Post*, May 5, 1994; *Asian Wall Street Journal*, May 11, 1994; *Far Eastern Economic Review*, May 19, 1994.
13. For a close analysis of the decision-making leading to delinkage, see David M. Lampton, "America's China Policy in the Age of the Finance Minister: Clinton End Linkage," *China Quarterly*, no. 139 (September 1994), pp. 597-621.
14. Chen Dawei, "Clinton Faced with Decision on Problem of China's Most-Favored-Nation Status," *Zhongguo Xinwen She*, May 16, 1994, in FBIS, May 17, 1994, p. 9. For other Chinese commentaries on the domestic politics of MFN, see, for example, *Xinhua*, March 26, 1994, in FBIS, March 28, 1994, pp. 3-4; *Xinhua*, May 4, 1994, in FBIS, May 5, 1994, pp. 8-9; *Xinhua*, May 5, 1994, in FBIS, May 5, 1994, p. 8; *Xinhua*, May 6, 1994, in FBIS, May 9, 1994, pp. 4-5; *Xinhua*, May 11, 1994, in FBIS, May 11, 1994, p. 7; *Xinhua*, May 18, 1994, in FBIS, May 19, 1994, p. 6.
15. *New York Times*, February 18, 1993.

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17. See, for example, Li Peng's comments in *Xinhua*, January 2, 1994, in *FBIS*, January 3, 1994, p. 4; Foreign Broadcast Information Service, *Trends*, October 27, 1993, pp. 1-2; *New York Times*, January 16, 1994.
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19. *FBIS, Trends*, May 25, 1994, pp. 1-5.
20. *Far Eastern Economic Review*, February 25, 1988, p. 13; *Far Eastern Economic Review*, March 24, 1988; *New York Times*, March 13, 1988; Ross interview with U.S. government official.
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23. On China's interest in the Baker visit, see *Washington Post*, October 26, 1991; *Xinhua*, November 7, 1991, in *FBIS*, November 7, 1991. On the course of Baker's meetings with Chinese officials, see *New York Times*, November 16, 1991; *New York Times*, November 17, 1991; *Xinhua*, November 17, 1991, in *FBIS*, supplement, November 20, 1991, p. 6. Regarding the initial agreement and China's subsequent retreat, see *Renmin Ribao* (People's Daily), November 18, 1991, in *FBIS*, supplement, November 20, 1991, p. 7; interview with a U.S. State Department official.
24. *Zhongguo Xinwen She*, November 21, 1991, in *FBIS*, November 21, 1991, p. 1; *Beijing Radio*, January 16, 1992, in *FBIS*, November 23, 1992, p. 2; *Xinhua*, February 1, 1992, in *FBIS*, February 3, 1992, p. 8; U.S. Department of State Dispatch, March 9, 1992, p. 189; interview with a U.S. State Department official. On the Chinese cancellations, see *Far Eastern Economic Review*, May 28, 1992; interview with U.S. State Department official. Although the sanction was lifted in February, it took another seven months

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28. Joint United States-People's Republic of China Statement on Missile Proliferation, October 4, 1994, in U.S. Department of State Dispatch 5, no. 42 (October 17, 1994), p. 702.
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29. See the report by the U.S. General Accounting Office, *Export Controls: Some Controls over Missile-Related Technology Exports to China Are Weak*, April 17, 1995 (Washington, DC: USGAO Report #29 NSIAD-95-82, 1995).
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35. Ross interview with U.S. State Department official.

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40. *New York Times*, September 28, 1995; *New York Times*, November 10, 1995. On China's pre-summit nuclear agreement regarding Iran, see the October 29, 1997, White House background press briefing by senior administration officials on nuclear cooperation with China.
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42. See U.S. Department of State, Daily Press Briefing, "Special Briefing on U.S.-China Discussions on Non-Proliferation and Nuclear-Related Exports," May 10, 1996; interview with Warren Christopher on *News Hour with Jim Lehrer*, June 17, 1996. On Chinese export controls and membership in the Zangger Group, see the October 29, 1997, White House background briefing by senior administration officials on nuclear cooperation with China and the October 29, 1997, White House Fact Sheet "Accomplishments of U.S.-China Summit."

## 2

## Cuba

SUSAN KAUFMAN PURCELL

THE U.S. ECONOMIC embargo against Cuba has been in place for 36 years. During that period, its rationale and goals have changed. For the most part, its principal purpose was either to modify the international behavior of Fidel Castro and his Communist government, which Washington regarded as a threat to U.S. strategic interests, or to eliminate the regime entirely. As long as those goals proved unattainable, Washington settled for a secondary goal of isolating and containing Cuba. Since the collapse of the Soviet Union and the end of Moscow's substantial economic aid to the island, Washington has tried to take advantage of Cuba's new economic vulnerability by tightening the embargo in order to prevent the Castro government from replacing Soviet aid with foreign investment and other capital. The goal of Washington's policy remains the disappearance of the Castro regime, by forcing either reform or revolt on the island.

Washington's post-Cold War policy toward Cuba has been caught up in a larger debate concerning the effectiveness of economic sanctions in general and of unilateral sanctions in particular as a way of producing change in the nature and behavior of hostile regimes. Critics of the administration's Cuba policy argue that U.S. sanctions against Cuba have not worked for decades and that it is "time for a change," particularly now that the Cold War is over and Havana is no longer a serious threat to U.S. interests. They believe that the Castro government would respond better to incentives rather than to punishment. Supporters of U.S. policy, in contrast, argue the opposite. They claim that the embargo could not work during the Cold War, when Havana received billions of dollars annually from Moscow. Now that this aid has disappeared,